



July 16, 2019

Item No. 6

AUTHORIZATION TO SUBMIT DISPOSITION APPLICATIONS TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR DISPOSITION OF HAROLD ICKES PROPERTY FOR THE SOUTHBRIDGE PHASE 1 A AND PHASE 1B PROJECT.

Address: Property bounded by Cermak Street on the north, S. State Street on the east, 25th Street on the south, and S. Dearborn Street on the west.

Alderman: Pat Dowell Ward: 3

Presenters: Ann McKenzie, Chief Development Officer

Recommendation

It is recommended that the Board of Commissioners (Board) authorize the Chief Executive Officer (CEO) or his designee to: 1) Submit Disposition Applications to HUD for disposition of Harold Ickes property for the Southbridge Phase 1A and Phase 1B; 2) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The requested action in this item complies in all material respects with all applicable federal, state and local laws and Chicago Housing Authority (CHA) board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

Background

Southbridge Phase 1 A and Phase 1 B are the first phases of the redevelopment of the former Harold Ickes Homes. Each phase is a 103-unit mixed-income development in the South Loop area.

Land Conveyance:**Phase 1 A**

CHA shall enter into a long-term (not to exceed 99 years) ground lease with Southbridge 4 Master Owner LLC. After execution of the ground lease, the Sponsor shall assign the ground lease to the Rental Owner, subject to certain regulatory restrictions. The ground lease shall cover land which will be improved with a mixed-income development including 34 CHA-RAD/LIHTC units.

Phase 1 B

CHA shall enter into a long-term (not to exceed 99 years) ground lease with Southbridge 9 Master Owner LLC. After execution of the ground lease, the Sponsor shall assign the ground lease to the Rental Owner, subject to certain regulatory restrictions. The ground lease shall cover land which will be improved with a mixed-income development including 34 CHA-RAD/LIHTC units.

Respectfully Submitted:

Ann C. McKenzie
Chief Development Officer

RESOLUTION NO. 2019-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated July 16, 2019 entitled "Authorization to Submit Disposition Applications to the United States Department of Housing and Urban Development (HUD) for disposition of Harold Ickes Homes property for the Southbridge Phase 1 A and Phase 1 B rental projects."

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Chief Executive Officer or his designee is authorized to submit multiple disposition applications to HUD for the disposition of Harold Ickes property for the Southbridge Phase 1 A and Southbridge Phase 1 B rental projects; and

THAT, the Chief Executive Officer, or his designee, is authorized to execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

This award is not subject to the Contractor's compliance with CHA's MBE/WBE/DBE/ Section 3 hiring and insurance requirements.

Eugene E. Jones, Jr.
Chief Executive Officer
Chicago Housing Authority